

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 90-158-O
GAS AND ELECTRIC COMPANY)	

O R D E R

On December 21, 1990, in Case No. 90-158 the Commission approved certain adjusted rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment on a quarterly basis in accordance with its gas supply clause ("GSC").

On July 1, 1994, LG&E filed its GSC to be effective from August 1, 1994 through October 31, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice proposed revised rates designed to pass on expected increased wholesale gas costs to its customers. LG&E's proposed expected gas supply cost is 31.175 cents per 100 cubic feet, or \$3.1175 per Mcf.

2. LG&E had no supplier refunds for the current quarter. The refund factor of 2.71 cents per Mcf is from a previous quarter.

3. LG&E's notice set out a current quarter actual adjustment of 12.54 cents per Mcf to collect unrecovered gas cost from February, March, and April 1994. The proposed total actual adjustment of 10.16 cents per Mcf reflects the current under-

recovery as well as under- and over-collections from three previous quarters.

4. LG&E's notice set out a balance adjustment of 7.93 cents per Mcf to collect a portion of its under-collections from previous actual and balance adjustments. LG&E proposed to defer a portion of the under-recovery to its next filing, when expected quarterly sales will be higher and the rate impact less. This appears reasonable and should be approved.

5. These adjustments produce a gas supply cost component of 32.713 cents per 100 cubic feet or \$3.2713 per Mcf, 25.84 cents per Mcf more than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after August 1, 1994.

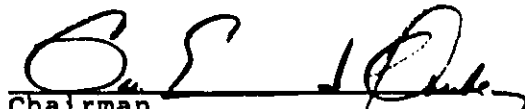
IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is fair, just, and reasonable and is effective for gas supplied on and after August 1, 1994.

2. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rate authorized in this Order.

Done at Frankfort, Kentucky, this 1st day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-158-O DATED AUGUST 1, 1994

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment

The total Gas Supply Cost Component shall be 32.713 cents per 100 cubic feet during the period covered by the bill.